UNITED STATES PATENT AND TRADEMARK OFFICE

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/777,312	02/12/2004	James Allen Charnley JR.	W012 P00839-US1	5534

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EXAMINER
WONG, ERIC TAK WAI

ART UNIT	PAPER NUMBER
3693	

MAIL DATE	DELIVERY MODE
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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

PTOL-90A (Rev. 04/07)

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE *3* MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.
- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *27 October 2008*.
2a)☐ This action is **FINAL**.   2b)☒ This action is non-final.
3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1-5* is/are pending in the application.
    4a) Of the above claim(s) _____ is/are withdrawn from consideration.
5)☐ Claim(s) _____ is/are allowed.
6)☒ Claim(s) *1-5* is/are rejected.
7)☐ Claim(s) _____ is/are objected to.
8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.
10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.
    Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
    Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
    a)☐ All   b)☐ Some * c)☐ None of:
      1.☐ Certified copies of the priority documents have been received.
      2.☐ Certified copies of the priority documents have been received in Application No. _____.
      3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
    * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)
1)☐ Notice of References Cited (PTO-892)
2)☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3)☐ Information Disclosure Statement(s) (PTO/SB/08) Paper No(s)/Mail Date _____.
4)☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____.
5)☐ Notice of Informal Patent Application
6)☐ Other: _____.

U.S. Patent and Trademark Office
PTOL-326 (Rev. 08-06)   Office Action Summary   Part of Paper No./Mail Date 20090107

DETAILED ACTION

1.   For the record, Examiner agrees with applicant that the introduction of the term

"computer implemented" is fully supported in the disclosure. The specification reasonably

conveys to one skilled in the art that the inventor(s), at the time the application was filed, had

possession of the claimed invention since a person of ordinary skill in the art would clearly

understand that computers are implemented to compute such large volumes of data like the

data processed in accordance with the method of the claimed invention.

Claim Rejections - 35 USC § 101

2.   35 U.S.C. 101 reads as follows:

> Whoever invents or discovers any new and useful process, machine, manufacture, or composition of
> matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the
> conditions and requirements of this title.

3.   Claims 1-5 rejected under 35 U.S.C. 101 because the claimed invention is directed to

non-statutory subject matter.

        For purposes of § 101, a "process" has been given a specialized, limited meaning by the

courts. Based on Supreme Court precedent and recent Federal Circuit decisions, a process

must (1) be tied to another statutory class (such as a particular apparatus) or (2) transform

underlying subject matter (such as an article or materials) to a different state or thing. If neither

of these requirements is met by the claim, the method is not a patent eligible process under §

101 since it is directed to non-statutory subject matter. In addition to being tied to another

statutory class, the claim should positively recite the other statutory class to which it is tied, for

example by identifying the apparatus that accomplishes the method steps, or positively recite

the subject matter that is being transformed, for example by identifying the material that is being

changed to a different state. See In re Bilski, 88 USPQ2d 1385 (Fed. Cir. 2008).

Claims 1-5 fail to meet the requirements of the machine-or-transformation test described above. The claims are neither (1) tied to another statutory class (such as a particular apparatus) nor do they (2) transform underlying subject matter (such as an article or materials) to a different state or thing.

In regards to requirement (1), the claims recite a "computer implemented" method. This recitation is a nominal recitation since it is found only in the preamble of the independent claim. Therefore, the recitation fails to impose any meaningful limits on the claim's scope. Instead, the claims should positively recite the other statutory class to which it is tied by specifying which method steps are performed by a computer. This means that the tie must appear in a **significant** step. Recitation of a specific machine in an insignificant step, such as data gathering or outputting, is not sufficient to pass the test.

In order to overcome the rejection, Examiner suggests amending the claim to recite that: 1) the data-records are stored within a computer memory; and 2) significant steps are performed by the computer. Examiner suggests that a machine should be tied to the defining, calculating and appending, plotting, bisecting, determining and storing, segmenting, and selecting steps. The claims may be amended to recite, for example, "defining, via the computer, the evaluation time periods ...", etc.

Claim Rejections - 35 USC § 112

4.   The following is a quotation of the second paragraph of 35 U.S.C. 112:

> The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

5.   Claims 1-5 rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

The independent claim recites at multiple points that certain steps are performed in

accord with existing industry practice. Claim 1 is reproduced in part below:

> (1) "A computer implemented method for **transforming the existing practice of** selecting investments within an asset-class population of book-valued investments"
> …
> (2) "calculating and appending to the data-record for each asset-class population member the measurements of the average and standard deviation of periodic returns, as derived from the data of periodic returns **and formulated under the tenets of existing industry practice**"
> …
> (3) "calculating and appending to the data-record for each asset-class population member the measurements of market and differential returns, the market return formulated **under existing industry practices** as the average of average returns for the asset-class population at the point of standard deviation of periodic returns for the population member and the differential return formulated **under existing industry practices** as the difference between the member's average return and the average of average returns for the asset-class population at the point of standard deviation of periodic returns for the population member, for each selection period."
> …
> (4) "calculating and appending to the data-record of each asset-class population member the measurement of standard differential return for each selection period, as its normalized value when calculated relative to the distribution characteristics of its asset-class population for that selection period, **as formulated under existing industry practices for calculating a measurement of a standard normal cumulative distribution;**

Such limitations are unclear since existing industry practice may change over time.

Examiner suggests removing the emphasized text from each of the cited recitations in order to

overcome the rejection.

Request for Information

6.   Applicant and the assignee of this application are required under 37 CFR 1.105

to provide the following information that the examiner has determined is reasonably

necessary to the examination of this application.

Examiner requests any publication or document, of which the applicant has knowledge of, which either was relied upon in drafting the specification or is otherwise relevant to the invention. These may include academic papers or other publications authored by the inventor himself.

The fee and certification requirements of 37 CFR 1.97 are waived for those documents submitted in reply to this requirement. This waiver extends only to those documents within the scope of this requirement under 37 CFR 1.105 that are included in the applicant's first complete communication responding to this requirement. Any supplemental replies subsequent to the first communication responding to this requirement and any information disclosures beyond the scope of this requirement under 37 CFR 1.105 are subject to the fee and certification requirements of 37 CFR 1.97.

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to ERIC T. WONG whose telephone number is 571-270-3405. The examiner can normally be reached on Monday-Friday 9:00AM-5:00PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James A. Kramer can be reached on 571-272-6783. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/James A. Kramer/   ERIC T. WONG
Supervisory Patent Examiner, Art Unit 3693   Examiner
                                                                                  Art Unit 3693

January 12, 2009